

## **Chapter VIII**

### **Low-Income Home Energy Assistance Program**

#### ***Program Summary***

#### **What Is Low-Income Home Energy Assistance?**

The Low-Income Energy Assistance Program (LIHEAP) is a financial assistance program that helps low-income households pay their heating bills. Three types of assistance are provided: one-time LIHEAP cash payments to help households pay their winter heating bills, crisis assistance payments, and payments for low-cost weatherization projects.

#### **Who Can Get Low-Income Home Energy Assistance?**

A low-income household is eligible if it is responsible for paying its home heating bill, includes a U.S. citizen or eligible noncitizen, and meets the LIHEAP financial eligibility guidelines.

#### **How Does a Person Get Low-Income Home Energy Assistance?**

Most households that are receiving Food Stamps on September 30<sup>th</sup> are automatically eligible for a one-time LIHEAP payment without filing an application. Other households may apply for LIHEAP at the county department of social services or other designated community agencies. Households requesting assistance for a heating or cooling emergency under the Crisis Intervention Program (CIP) may apply at the county department of social services or other designated community agency. Weatherization assistance generally is provided through local community action agencies.

#### **How Much Does A Person Get?**

The amount of a household's LIHEAP benefits depends on the household's income, the region of the State in which the household lives, the type of fuel the household uses for heating, whether the household is "fully" or "partially" vulnerable for heating costs, and the number of eligible households who have applied for LIHEAP. In 2007, LIHEAP benefits ranged from \$41 to \$83 for households that heated with fuel oil and from \$47 to \$93 for households that heated with LP gas. The maximum amount of assistance under the Crisis Intervention Program has been increased to \$600 per year, at county option, with a minimum statewide benefit of \$300.

#### **What Are the Income Limits?**

A household is not eligible for LIHEAP if its countable income for the month of October exceeds 110% of the federal poverty level (\$936 for a one-person household in 2007, \$1255 for a two-person household, \$1574 for a three-person household, etc.). However, October Food Stamp recipients do not have to meet this test. A household is not eligible for assistance under the Crisis Intervention Program if its countable income exceeds 150% of the federal poverty level.

## **What Are the Resource Limits?**

A household may not receive one-time LIHEAP benefits if its countable assets exceeds \$2,200 on October 31. October Food Stamp recipients are presumed to meet this requirement.

# **Low-Income Home Energy Assistance Program**

## **Introduction**

The Low-Income Home Energy Assistance Program (LIHEAP) was established in 1981. The federal government annually allocates a specific amount of money to each participating state, and the state distributes that money to eligible households. At the federal level, the program is administered by the U.S. Department of Health and Human Services. At the state level, it is administered by the N.C. Department of Health and Human Services' Division of Social Services. At the local level, it is administered by the county department of social services and other designated community agencies.

## **Applying for LIHEAP and CIP**

Most households that are receiving Food Stamps as of September 30<sup>th</sup> are automatically eligible for LIHEAP benefits without having to file an application. All other households may apply for LIHEAP at their county department of social services or other designated community agencies. An application may taken by phone or mail if no one from the household is able to apply in person at DSS or the designated agency.

Applications for LIHEAP may be filed only during the first two full weeks of November. Applications for CIP may be filed at any time during the year and must be approved or denied within two calendar days.

Households that are applying for LIHEAP benefits may be required to provide all or some of the following information:

- Wage stubs for October
- Bank statements or bank books
- Documentation of property owned
- Social Security cards of all household members
- Alien registrations

Households may be required to verify the information that they provide. Decisions regarding eligibility for LIHEAP are mailed to applicants in February. Approval notices accompany the check. Denial notices contain a statement of the reason for the denial and the applicant's right to appeal.

## Eligibility for LIHEAP and CIP

LIHEAP benefits are provided to eligible households. A **household** is a single individual living alone or a group of individuals who share the same residence. If a residence is a boarding house or contains separate apartments, the residents of the rooms or apartments may be separate households.

A household is not eligible for LIHEAP benefits unless it is **vulnerable** to rising energy costs. A household is **fully vulnerable** if it has a private living arrangement and a heat source. A household living in a private retirement home, a half-way house, a battered women's shelter or a rescue mission is considered fully vulnerable if it is required to pay for the accommodations (even if it cannot make the required payments).

Section 8 tenants are considered fully vulnerable. Public housing tenants may be considered fully vulnerable under the following circumstances:

- the utilities are billed separately from rent, *or*
- the utilities are included in the rent, and the household has paid for excess utilities within the last twelve months at the current address

A household is **not vulnerable** if it has a private living arrangement with no heat source or is in public housing and has not paid any excess utility charges in the last twelve months at the current address. Residents of institutions are not vulnerable. Institutions include hospitals, licensed adult care homes, nursing homes, alcohol or drug rehabilitation centers, and dormitories.

A household is not eligible for LIHEAP unless it includes at least one **U.S. citizen** or **eligible alien**. Lawful permanent resident aliens and other aliens who are documented to live in the United States are eligible for LIHEAP.

A household is not eligible for LIHEAP unless its **countable income** and **countable reserve** are less than the LIHEAP income and reserve limits. However, most October Food Stamp recipients are deemed eligible

## Crisis Intervention Program

A household is not eligible for CIP benefits unless it is experiencing a heating or cooling **crisis**. A heating crisis usually means that the household has no source of heat or the household's heat source is in jeopardy (for example, because the household's electric or gas service is being disconnected) and the household does not have sufficient income or resources to resolve the crisis (especially if the

household includes a young child or a sick or elderly person and the temperature is extremely cold).

A household is not eligible for CIP benefits if its income exceeds the CIP income limit.

### Income

In order to receive LIHEAP benefits, a household's combined **net countable income** for the month of October must be equal to or less than 110% of the federal poverty level.

In order to receive CIP benefits, a household's countable income for the month of application may not exceed 150% of the federal poverty level.

In 2007, the LIHEAP and CIP income limits are:

Household Size	LIHEAP (Monthly Income)	CIP (Monthly Income)
1	\$936	\$1,277
2	\$1,255	\$1,712
3	\$1,574	\$2,147
4	\$1,893	\$2,582
5	\$2,212	\$3,017

In determining whether a household is eligible for LIHEAP benefits, certain income is counted (**countable income**) and certain income is disregarded (**excluded income**). After all the countable income is added up, certain deductions are subtracted. The result is the household's **net countable income**.

The following types of income are counted in determining eligibility for LIHEAP:

- Social Security benefits (before deduction of Medicare premium)
- Supplemental Security Income (SSI)
- Veterans or Railroad Retirement benefits
- Pensions, retirement or disability income, whether public or private
- Gross wages from employment
- Self-employment or farm income, minus operating expenses
- Income from roomers, boarders, or tenants

- Interest or dividends from investments or payments from trust funds
- Work First Family Assistance
- Contributions (unless they are based on need and are received from a private, nonprofit charity)
- Foster care payments
- Unemployment compensation
- Worker's compensation
- Child support or spousal support
- The portion of educational grants or loans designated for living expenses

The following types of income are excluded in determining eligibility for LIHEAP:

- Income for supportive services or reimbursement of out-of-pocket expenses to volunteers serving as foster grandparents, senior health aides or companions, SCORE volunteers and other similar programs
- Disaster or relocation assistance
- Benefits received under Title VII, Nutrition Program for the Elderly, Older Americans Act, and Older American community service programs
- Earned income of high school or elementary school students under age 18
- Income of child (under age 19) participating in a Workforce Investment Act program
- In-kind contributions
- Payments made directly to vendors on behalf of the household
- Irregular and infrequent income (under \$30 in a calendar quarter and not able to be anticipated)
- Personal loans
- The value of Food Stamps, school lunches or surplus commodities
- Earned Income Tax Credit
- Reimbursements
- Utility assistance payments from HUD

- Emergency assistance or CIP payments
- Child care payments received through public child care programs
- Nonrecurring lump sum payments

Once the gross countable income is calculated, certain **deductions** are subtracted. These include:

- A standard deduction of \$85 for medical expenses for each household member who is age 60 or over, who receives Social Security, SSI, Railroad Retirement, or VA disability benefits, who has been determined disabled under the Medicaid program, *or* who is the surviving spouse with a disability or surviving child with a disability of a deceased veteran
- A standard deduction for work-related expenses for each household member who has earned income:

Earned Income	Deduction
\$1 - \$50	\$10
\$51 - \$100	\$20
\$101 - \$150	\$30
\$151 - \$200	\$40
\$201 - \$300	\$60
\$301 - \$400	\$80
Over \$400	20%

- Out-of-pocket child care costs, up to \$200 per month for a child under age 2 and \$175 per month for a child age 2 and over
- Amount of child support paid by a household member who is legally obligated to make such payment

### **Reserve**

**Reserve** means assets that are available to households to meet their needs. A household is not eligible for LIHEAP benefits if the value of its countable reserve exceeds **\$2,200**. (Although the reserve limit does not apply to CIP, a household is ineligible for CIP if its available reserve is sufficient to resolve its heating or cooling crisis.)

There is no need to calculate reserve for any household in which all members receive Work First Family Assistance, Medicaid, SSI, or Food Stamps. They automatically meet the LIHEAP reserve requirements.

**Countable reserve includes:**

- Cash on hand
- Current balance of savings accounts
- Checking account balance, except that portion which represents monthly income
- Stocks, bonds, mutual funds, etc.
- Accessible retirement funds
- Revocable trust funds
- Life estates and remainder interests in real property *if* the interest can be sold
- Equity in real property that is not used as a homesite or is not income-producing property (for example, rental property)

**Countable reserve does not include:**

- The home occupied by the household
- Household goods and personal belongings
- Motor vehicles
- Income-producing property
- Burial assets
- Heir property
- Any lump sum payment received after September 1
- Insurance
- Relocation assistance payments
- HUD community development block funds
- Savings of students under age 18 saving the money to attend college

## **Amount of Benefits**

Eligible households receive a one-time cash payment in February to help them pay their winter heating bills. These payments are made through checks payable to the household and the household is responsible for using the payment to pay its heating bill (or its rent if heat is included in the rent).

The amount of this payment depends on the household's income range, the type of fuel primarily used for heating, the region of the state in which the household lives, the total number of eligible



households, and the amount of money available for the program. In February 2007, benefit checks for “fully vulnerable” households ranged from \$26 to \$103.

### **Crisis Intervention Program**

Households that qualify for the Crisis Intervention Program (CIP) may receive up to \$300 per year (or \$600 at county option). The amount of CIP payments depends on the amount of money needed to deal with the household’s heating or cooling crisis. CIP payments may be used to pay for utility deposits, heating or cooling bills, heating or cooling equipment, repairs to heating or cooling equipment, heating- or cooling-related home repairs, and temporary shelter. CIP payments may be made to the household, directly to a utility company, or to other vendors on behalf of the household. CIP benefits for eligible households are usually authorized within 48 hours if the crisis is not life-threatening or within 18 hours if the crisis is life-threatening.

### **Utility Cut-Off Moratorium**

An order by the North Carolina Utilities Commission prohibits certain regulated electric and natural gas companies from disconnecting electric or gas services to a household between November 1 and March 31 if the household:

- Includes a member who is age 65 or over or who is disabled,
- Cannot pay the utility bill in part or in full,
- Meets the eligibility requirements for LIHEAP, *and*
- Has been certified as being eligible for LIHEAP (regardless of whether the household has received or will receive LIHEAP benefits).

## **Appeals**

A household may appeal any decision that denies its eligibility for LIHEAP or CIP benefits, any decision regarding the amount of its LIHEAP or CIP benefits, or any issue regarding the timeliness of the determination or payment of LIHEAP or CIP benefits. An appeal must be requested, either orally or in writing, within 60 calendar days from the date of the decision (or within 90 days if good cause is shown for the delay). The request should be made to the county department of social services.

### **Local Hearing**

The first level of appeal is a local hearing. The local hearing should be scheduled within five calendar days after it is requested, although

the person appealing has the right to request that it be postponed to not later than 15 days from the date of request. It will be held at the county department of social services.

The household has the right to be represented at the local hearing by an attorney or another person. The household or the household's representative has the right to see the LIHEAP record before the hearing.

The local hearing will be conducted, and the decision made, by an employee of the county department of social services who was not involved in making the initial decision. The hearing is informal. The worker involved in the decision will present of summary of the case. Copies of the documents relied on by the county will be attached to the summary. The household or the household's representative may ask the worker questions about the decision, may offer testimony, documents, or other evidence, and must answer questions asked by the worker or the hearing officer.

The local hearing officer will make a decision within five calendar days of the hearing and mail it to the household.

### **State Level Hearing**

If the household is not satisfied with the local hearing decision, it may ask for state level hearing. This hearing must be requested, either orally or in writing, within five calendar days of the date of the local hearing decision, unless good cause is shown for the delay. In cases where good cause can be shown for the delay, the state level hearing must be requested within 90 days of the initial decision. Good cause includes severe illness or hospitalization, death, failure of the DSS worker to provide correct advice about an appeal.

The state level hearing is conducted by a hearing officer from the state Division of Social Services. The hearing will be held at the county department of social services. The procedures for the state level hearing are similar to those for the local hearing.

The state hearing officer will issue a written decision and mail it to the household. A household that is not satisfied with the decision may request that it be reviewed by the state DSS's chief hearing officer. If a review is requested, the chief hearing officer will consider written or oral arguments but will not consider additional evidence that was not presented at the state level hearing.

### **Judicial Review**

A household that is not satisfied with the final decision of the state hearing office (or the chief hearing officer if review was requested) has the right to file a petition for judicial review in Superior Court. The petition must be filed within 30 days of receipt of the final

agency decision. As a practical matter, filing a petition for judicial review requires the services of a lawyer.

## **Legal Authority**

Federal Statute: 42 U.S.C. § 8621 *et seq.*

Federal Regulations: 45 C.F.R. Part 96

State Rules: 10A N.C.A.C. Chapter 71V

## **Sources of Additional Information**

N.C. Department of Health and Human Services  
Division of Social Services  
Economic Independence Section  
325 N. Salisbury Street  
Raleigh, NC 27603  
(919) 733-9370

CARELINE 1-800-662-7030 (N.C. Department of Health and Human Services information and referral service)

DSS Energy Assistance Manual (available at county departments of social services and on-line: <http://info.dhhs.state.nc.us/olm/manuals/dss/ei-40/man/index.htm>).